

VZCZCXR06209
PP RUEHRC
DE RUEHBR #1966/01 2611421
ZNY SSSS ZZH
P 181421Z SEP 06
FM AMEMBASSY BRASILIA
TO RUEHC/SECSTATE WASHDC PRIORITY 6674
INFO RUEHAC/AMEMBASSY ASUNCION PRIORITY 5662
RUEHBO/AMEMBASSY BOGOTA PRIORITY 3926
RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 4267
RUEHCV/AMEMBASSY CARACAS PRIORITY 3430
RUEHGT/AMEMBASSY GUATEMALA PRIORITY 0296
RUEHLP/AMEMBASSY LA PAZ PRIORITY 4873
RUEHPE/AMEMBASSY LIMA PRIORITY 3166
RUEHMN/AMEMBASSY MONTEVIDEO PRIORITY 6463
RUEHOT/AMEMBASSY OTTAWA PRIORITY 0987
RUEHPU/AMEMBASSY PORT AU PRINCE PRIORITY 0139
RUEHQH/AMEMBASSY QUITO PRIORITY 1966
RUEHSG/AMEMBASSY SANTIAGO PRIORITY 5779
RUEHRG/AMCONSUL RECIFE PRIORITY 5451
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 2880
RUEHSO/AMCONSUL SAO PAULO PRIORITY 8051
RUEKJCS/SECDEF WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUMIAAA/USCINCSO MIAMI FL PRIORITY
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY

S E C R E T SECTION 01 OF 03 BRASILIA 001966

SIPDIS

SIPDIS

E.O. 12958: DECL: 05/25/2016
TAGS: PREL BR
SUBJECT: BRAZIL: AMBASSADOR'S COURTESY CALL ON
INSTITUTIONAL SECURITY CHIEF

Classified By: POLITICAL COUNSELOR DENNIS HEARNE. REASONS: 1.4 (B)(D).

¶1. (S/NF) Summary. On 14 September, Ambassador (accompanied by PolCouns and DATT) made a courtesy call on General Jorge Armando Felix, Minister for Institutional Security in the Brazilian Presidency. Felix's office oversees both national intelligence and narcotics prevention efforts nationwide, and is also an interagency crisis management center for the Brazilian Government (GOB). Felix was accompanied by his deputy, General Wellington; Marcio Buzanelli, Director of Brazil's National Intelligence Agency (ABIN); and General Paulo Uchoa, Director of Brazil's Counter-Drug Secretariat (SENAD). The frank and broad discussion covered bilateral cooperation against terrorism and narcotrafficking, and USG concerns about delays in security preparations for the 2007 Pan American Games in Rio. Ambassador also raised the issue of bilateral cooperation in intelligence sharing on regional issues. End summary.

INSTITUTIONAL SECURITY CABINET

¶2. (SBU) Felix shared with Ambassador a slide presentation outlining the responsibilities of the Presidency's Institutional Security Office (Portuguese acronym GSI), stressing that the GSI has primarily "coordination" vice "executive" authorities. Felix explained that his office -- in addition to providing direct security support to the President, serving on the National Defense Council, and coordinating interagency crisis management in the GOB -- is responsible for overseeing the work of the Brazilian Intelligence Agency (ABIN) and is the seat of the President's National Anti-Drug Secretariat (SENAD). Felix praised the cooperation of Embassy agencies, including the Narcotics Affairs Section (NAS), with his office and emphasized a desire to intensify cooperation whenever possible. In response to questions by Ambassador, Felix further clarified that ABIN is primarily focused on intelligence issues and

security within Brazil, and SENAD is focused on prevention and treatment of drug usage, vice repression and enforcement, which are under the jurisdiction of the Federal Police.

CT ISSUES

¶3. (C) Ambassador reviewed USG concerns about possible terrorist financing activities in the tri-border area, and solicited Felix's views on potential threats. He also asked Felix about the structure of decision-making and executive responsibility on CT issues within the GOB, and raised the possibility of high-level visits by senior U.S. intelligence officials for meetings with Brazilian counterparts. On operational issues, Ambassador praised the relationship between Brazilian intelligence and security officials and the Embassy, but expressed concern about the state of security preparations for the Pan-American games in Brazil in 2007. He also asked whether the GSI and ABIN have monitored persons coming to Brazil in evacuations from the recent fighting in southern Lebanon.

¶4. (C) On the tri-border question, Felix said that the area is a focus of concern for Brazil in several respects, including narcotrafficking, arms smuggling, piracy and falsification of myriad products, as well as money laundering and terrorist financing. The GOB's police and intelligence services have an extensive presence in the region, and also have liaison relations with Argentine, Paraguayan and other national intelligence services, including U.S. agencies. The GOB pursues CT investigations in the TBA and elsewhere rigorously, he said, but is mindful of not "stigmatizing" the Muslim community in the region, or prejudicing the area's

BRASILIA 00001966 002 OF 003

image as a tourist destination. Brazil also has to be "sensitive" to the differences -- in economic development levels, in police capacity -- that exist among the three TBA "neighbors" and work in a "gradual" fashion to build confidence and lay groundwork for enhanced security cooperation between the three nations.

¶5. (C) With regard to the GOB's bureaucratic architecture for managing CT issues, Felix told Ambassador that the GSI had recently sent to President Lula da Silva a proposal for new legislation that would organize the GOB's CT efforts into a more centralized structure under the supervision of Felix. If Lula approves the proposal, it will be forwarded to Brazil's congress as a "projeto de lei" (legislative proposal) for debate. Felix, who traveled to the U.S. last year for consultations with USG agencies on development of interagency CT coordination, welcomed the Ambassador's proposal for high-level visits, and said he and the ABIN director would be the GOB interlocutors for such meetings. He directed his staff to prepare a draft agenda of potential issues of mutual concern to be addressed in the meetings, and undertook to provide the agenda to the Embassy.

6.(C) Noting the Ambassador's concern that security preparations for the Pan Am Games appear to be moving slowly, Felix nonetheless demurred on a substantive reply, saying only that the National Secretariat for Public Security has the lead within the GOB for security for the games. Felix further implied he would not welcome taking on the task.
(Comment: Notwithstanding Felix's comments, there is widespread frustration within the GOB and among international missions and service providers with the work being done by the Public Security Secretariat, and Mission elements are working informally on the issue with working-level counterparts in the GSI, who indicate they expect the security coordination mission for the games will be transferred formally to GSI in the near future. End comment.)

¶7. (S/NF) ABIN Director Buzanelli, responding to Ambassador's question about movements of persons into Brazil from Lebanon

in the wake of recent fighting there, said his agency has been carefully checking the names and backgrounds of Brazilian passport holders (and relatives) evacuated from Lebanon, and is coordinating this effort with other intelligence services, including those of the USG. But the work has been difficult and time-consuming, he said, as almost 3,000 Brazilians were evacuated from Lebanon, though some are now returning there with the ceasefire in place. Felix added that the GOB has been highly concerned about the possibility of terrorist elements or combatants slipping into Brazil with other evacuees, and remains attentive. Felix noted that Brazil's population of over 7 million persons of Lebanese descent is, by far, made up mostly of Maronite and Orthodox Christians, who immigrated before the Lebanese civil war in the 1970s. During and following the war, Muslims immigrated to Brazil, settling mainly in the tri-border area and Sao Paulo. The predominant population of settled, prosperous non-Muslim Lebanese has "helped to maintain balance" and limit radicalization of the Lebanese population in Brazil, despite the deep emotional resonance events in Lebanon and the Middle East have in Brazil's middle eastern community, according to Felix.

CRIME AND BORDER CONTROL

¶8. (C) Ambassador recalled his recent meeting with Justice Minister Thomas Bastos, in which a possible visit by the U.S. Attorney General, DEA Administrator, and INL A/S were discussed, and in which Ambassador offered USG assistance in

BRASILIA 00001966 003 OF 003

addressing the recent violent attacks in Sao Paulo by the PCC organized crime group. He noted conversations with Sao Paulo Governor Claudio Lembo and Rio Mayor Cesar Maia in which both had expressed high concern about cocaine inundating their cities. He further recounted his meeting with Federal Police Director Paulo Lacerda, noting Lacerda's concern about the illicit flow of both narcotics and heavy-caliber weapons across Brazil's immense frontiers. Lacerda had observed that he had only 7,000 Federal Police agents, and that the Brazilian Army has constitutional authority to pursue public order/law enforcement missions within 150 kilometers of national borders. Ambassador asked for Felix's perspectives on these concerns.

¶9. (C) Felix said his office would welcome visits by the U.S. Attorney General, DEA Administrator, and INL A/S and expressed gratitude for offers of assistance to deal with the PCC. Observing that Brazilian authorities are becoming progressively better at "following the money trail," Felix said Brazilian police are now increasingly using financial investigation tactics against organized crime, including the PCC and other narcotics and gun smugglers. He said there is proposed legislation to expand the Federal Police to more than 14,000 agents, but that the Brazilian military continues to be reluctant to engage in border operations against narcotics smuggling, fearing the potential for corruption among the troops -- a troubling trend seen in neighboring countries, Felix added.

¶10. (C) Brazil's battle against narcotrafficking has been "a cycle of success-failure," and he said the classic example of this is seen with Bolivia. Brazilian law enforcement has enjoyed considerable success in controlling precursor chemicals and materials flowing from Brazil into Bolivia for the processing of coca into refined cocaine products. As a result, Bolivia's cocaine has degraded to a point that it attracts little interest in the U.S. and European markets. But an unintended consequence is now evident as low-quality Bolivian cocaine floods Brazilian cities: Brazil is now Bolivia's main drug market.

REGIONAL ISSUES

¶11. (S/NF) Ambassador inquired whether the GSI and ABIN would be interested in collaborating with U.S. counterparts in sharing intelligence on developments in the region, including in Venezuela. Felix was careful in his reply, but said such cooperation could be "useful," and said, with no elaboration, that "Paraguay could be of special interest." Ambassador pressed further on the question of Venezuela, to which Felix quietly replied, "Why not?"

¶12. (C) Comment. Felix appears willing to cooperate with USG authorities, and is clearly concerned with improving and streamlining the GOB's capacity for dealing with counter-terrorism priorities. We believe it would be worthwhile to involve his office more extensively in collaborative efforts on CT, counter-narcotics and organized crime, and foresee, in particular, the possible necessity of making the GSI a focal point for our efforts to work with Brazil on security preparation for the Pan Am Games.

Sobel